

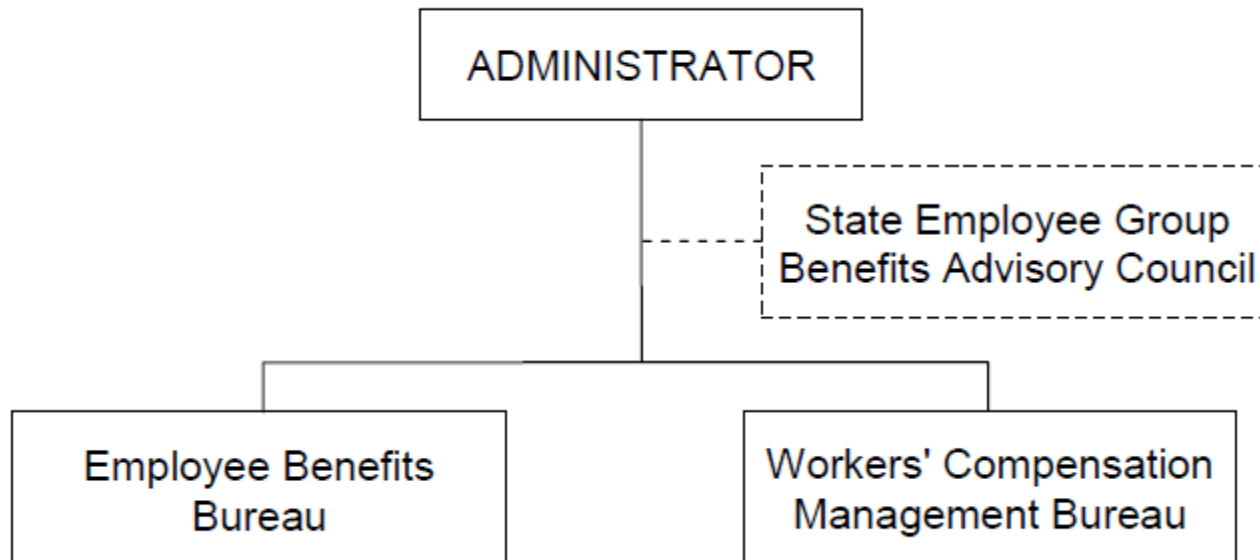
Department of Administration

Health Care and Benefits Division

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Division Structure



Total FTE – 24 HB2 FTE - 0

Employee Health Plan

- Employee Health plan covers over 33,500 employees, legislators, retirees, and their dependents
- Created in 1979
- Authorized in Title 2, Chapter 18, Parts 7 & 8 MCA
- State Employee Group Benefits Advisory Council (SEGBAC) is created in 2-15-1016, MCA
- Self-insured medical, dental and pharmacy coverage
- Optional programs are fully-insured
- Administered through a unique public/private partnership

Duties of Advisory Council (SEGBAC)

- **2-15-1016. State employee group benefits advisory council -- composition.** (1) The department shall create a state employee group benefits advisory council under [2-15-122](#).
(2) The members of the advisory council must be selected from a diverse group in order to adequately represent the interests of state employees and retirees.
(3) One member of the advisory council must be a retired state employee.
(4) Each labor organization, as defined in [39-31-103](#), representing more than 1,000 employees of the state of Montana is entitled to one representative on the advisory council.
- **2-18-810. Functions of advisory council.** (1) The department shall meet and consult with the advisory council before negotiating, contracting, or otherwise modifying state employee group benefit plans.
(2) The advisory council shall meet quarterly to review the existing state employee group benefit plans, to review claims problems, and to advise the department on state employee group benefit matters.

Workers' Compensation Management Program

- Coordinate with Montana State Fund for workers' compensation coverage and policy management for 14,000 employees
- Authorized in Title 39, Chapter 71 Part 4 MCA
- Manages workers' compensation policy with Montana State Fund to minimize impacts on premiums
- Develops and oversees safety and return to work programs to reduce injuries and assist employees in returning to productive work

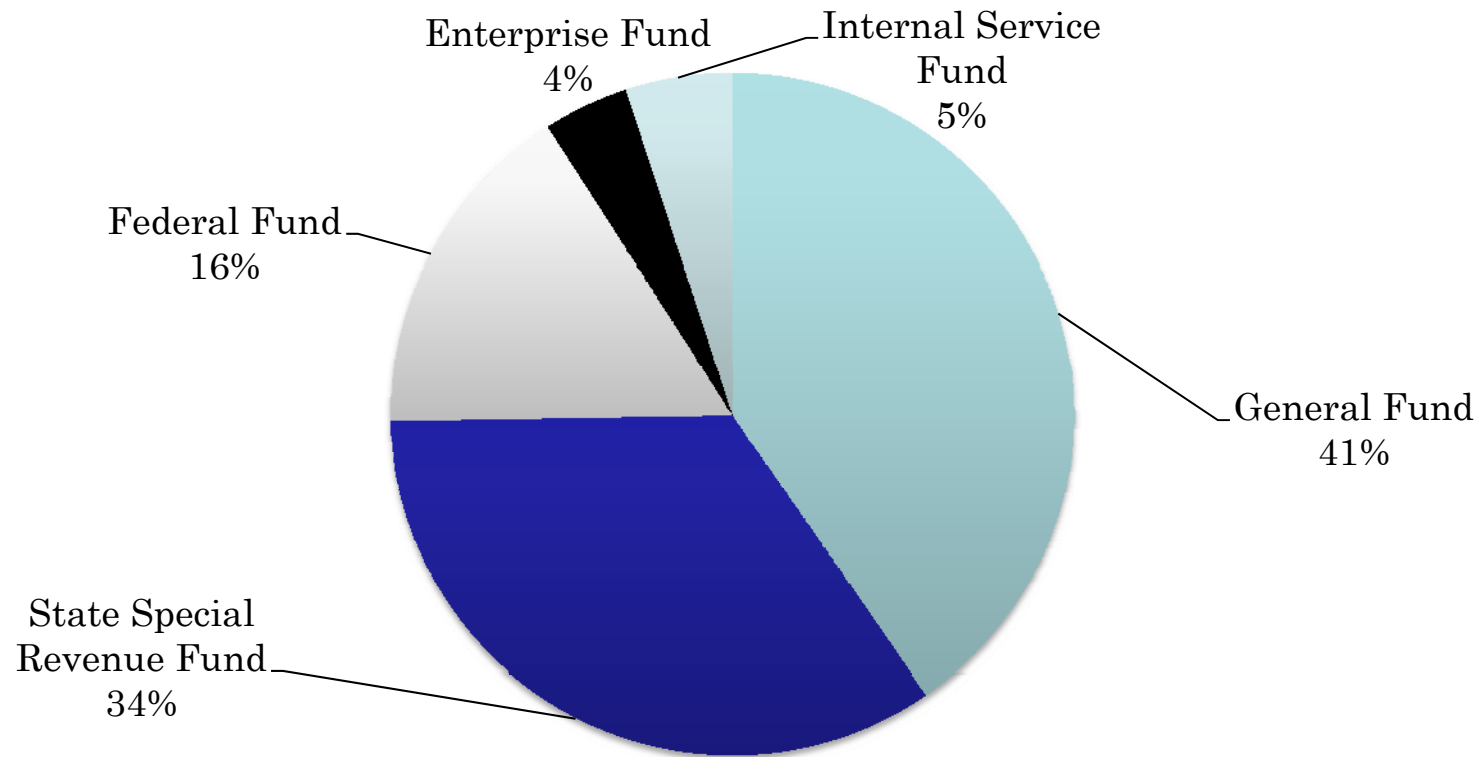
FY 2011 Expense Summary

Category	Amount in millions	% Health Care Spending
Self insured claims	\$124.1	90%
Fully insured premiums	\$4.6	3%
Wellness programs	\$1.4	1%
Administration	\$7.6	6%
Total Benefits	\$137.7	100%
Other Programs:		
Flex Spending	\$7.4	
Workers' Comp	\$.2	
VEBA	\$.1	
Total Division	\$145.4	

Employee Benefits Funding

- Employee Benefits are funded by employer contribution (state share), employee, legislators and retiree payments, investment earnings, and Medicare retiree subsidies (Proprietary funds)
- Health Plan Contribution Breakdown:
 - State Share 78.0%
 - Employees 7.6%
 - Legislators 0.3%
 - Retirees 13.9%
 - COBRA 0.2%

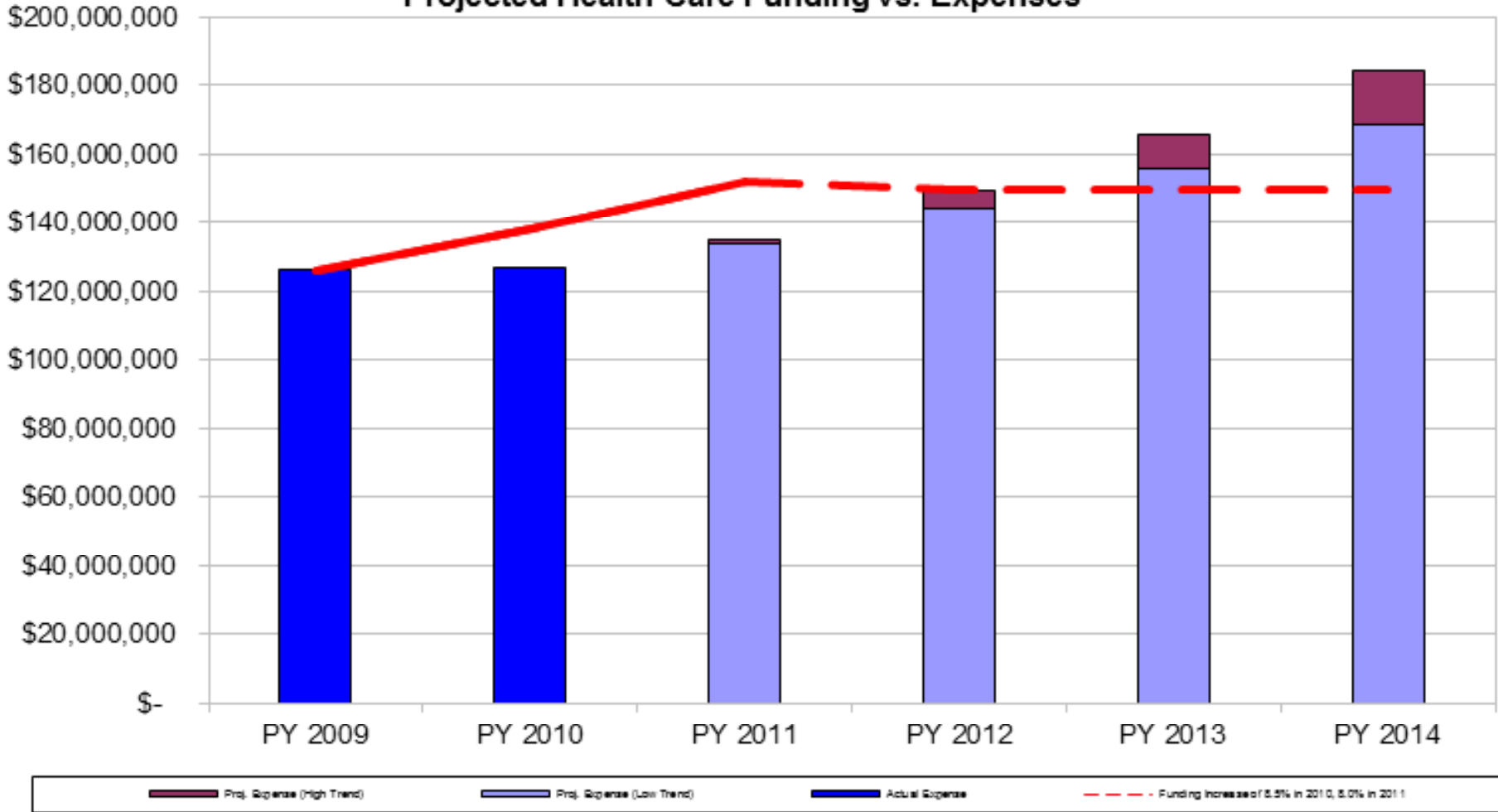
Employer Contribution (State Share) by Fund Type



Health Care Cost Trend

State of Montana

Projected Health Care Funding vs. Expenses



	100.6% Loss	91.9% Loss	87.7% Loss	96.4% Loss	104.2% Loss	112.8% Loss
			88.6% Loss	99.9% Loss	110.8% Loss	123.0% Loss

Health Plan Key Accomplishments

- Designed, developed and implemented URx pharmacy program
 - 18% savings for plan
 - 5% savings for members
- Developed and implemented new Diabetes Disease Management, Asthma and Blood Pressure programs
 - Participants in the Diabetes program experience:
 - 35% fewer ER visits,
 - 62% fewer hospital admissions, and
 - Average length of hospital stay is 3.6 days vs. 5.6 days

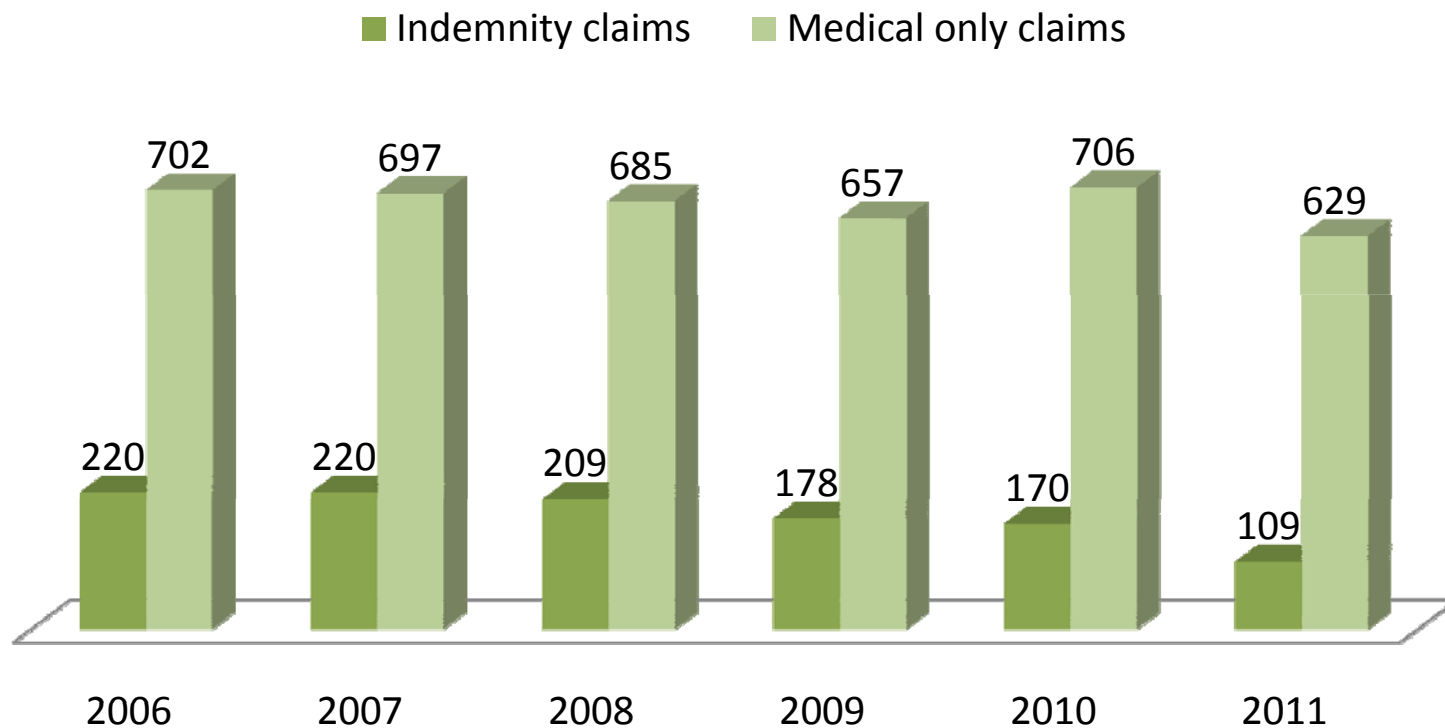
Health Plan Key

Accomplishments *continued*

- Designed, developed and implemented Quality Care Choices program for cancer care and infusion therapy
- Implemented required aspects of national health care reform (Patient Protection and Affordable Care Act)

Workers' Compensation Key Accomplishments

- Implemented return to work and safety programs
- Coordinating with all agencies to reduce injuries and improve safety.



Health Plan Priorities

- Pursue cost containment strategies
 - Disease management and wellness
 - Contracting strategies
 - Benefit plan changes
- Monitor national health care reform (Patient Protection and Affordable Care Act) and implement as needed
- Develop new State employee education materials

Workers' Compensation Priorities

- Reduce work-related injuries and increase return to work placements for State employees
- Develop new State employee education materials

More information

- Our web site provides a full description of the programs administered by the Division - <http://benefits.mt.gov>
- Quarterly reports and minutes from Advisory Council (SEGBAC) are posted at - <http://benefits.mt.gov/segbac.mcp>